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TO RUEHC/SECSTATE WASHDC 0604  
INFO RUEHAC/AMEMBASSY ASUNCION 6438  
RUEHBO/AMEMBASSY BOGOTA 4402  
RUEHBU/AMEMBASSY BUENOS AIRES 5157  
RUEHCV/AMEMBASSY CARACAS 3891  
RUEHLP/AMEMBASSY LA PAZ 5795  
RUEHMN/AMEMBASSY MONTEVIDEO 7128  
RUEHQT/AMEMBASSY QUITO 2358  
RUEHSG/AMEMBASSY SANTIAGO 0031  
RUEHRG/AMCONSUL RECIFE 7469  
RUEHRI/AMCONSUL RIO DE JANEIRO 5540  
RUEHSO/AMCONSUL SAO PAULO 1290  
RUEAIIA/CIA WASHDC  
RUEAWJA/DEPT OF JUSTICE WASHDC  
RUEKDIA/DIA WASHDC  
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FOR INL, WHA/BSC

E.O. 12958: N/A

TAGS: [SNAR](#) [EAID](#) [KCRM](#) [PREL](#) [BR](#)

SUBJECT: NAS BRAZIL ACTIVITY REPORT, NOVEMBER 2007

Sensitive but unclassified -- please protect accordingly.

¶1. (SBU) SUMMARY: Thanks to ongoing NAS support, the Brazilian Federal Police (DPF), with operational assistance from DEA Brazil, culminated operation "Fenix" an investigation that made significant progress toward dismantling a major drug trafficking organization run by Luis Fernando da Costa, a notorious and violent criminal who controls the most dangerous areas of Rio de Janeiro. The DPF served 34 search warrants in four Brazilian states, seized financial documents, drugs, cash and other assets, and arrested eleven people -- including da Costa's wife -- on charges of money laundering and trafficking in illicit narcotics and arms. To date, our support has assisted DPF agents to seize assets estimated to be worth US\$ 7.5 million, and arrest 29 suspects for drug trafficking. On the demand reduction front, NAS attended a general assembly for "Amor Exigente" -- an international behavior modification and drug demand reduction program modeled after "Tough Love" in the United States. Amor Exigente is looking for continued INL financial and technical support as it embarks on an ambitious expansion project in Northern Brazil. END SUMMARY.

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DISMANTLING THE BEIRA MAR DRUG ORGANIZATION  
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¶2. (SBU) On November 22, 2007, the Brazilian Federal Police (DPF) Special Investigation Unit (SIU) based in Rio de Janeiro culminated a year and a half investigation, dubbed "Operation Fenix", of one of the major drug trafficking organizations in Brazil headed by Luis Fernando da Costa, alias Fernandinho Beira-Mar, a notorious and violent criminal who controls the most dangerous areas of Rio de Janeiro. Da Costa, who previously was indicted in the United States for violation of U.S. Federal drug laws, has been in a Brazilian prison since 2000 on drug and homicide charges, but has continued to control and manage his criminal organization through visitors such as his wife and his attorney. Nearly 300 Federal Police agents served 34 search warrants in four Brazilian states, seized financial documents, drugs, cash and other assets, and arrested eleven people -- including da Costa's wife -- on charges of money laundering and trafficking in illicit narcotics and arms. Brazilian authorities have provided arrests warrants for eight other suspects currently in Paraguay and also requested Paraguayan authorities to seize a farm with livestock estimated to be worth US\$ 2.5 million.

¶3. (SBU) The investigation revealed that that Da Costa's organization was operating in Bolivia and Paraguay, smuggling arms, cocaine, and marijuana into Brazil. Da Costa's wife, Jacqueline Alcantara de Moraes, passed as controller and supervisor of ordering drugs, negotiating with suppliers in various neighboring countries, opening numerous bank accounts in Brazil, and incorporating many "shell" companies used for money laundering. She also conducted negotiations with contacts in Colombia and Venezuela.

¶4. (SBU) Since February 2006, thanks in major part to ongoing NAS and DEA support, Federal Police agents have been able to seize assets -- 750 kilograms of cocaine, 3.3 tons of marijuana, four (4) tons of ammunition, 20 vehicles, and one aircraft -- estimated to be worth US\$ 7.5 million, and arrest 29 suspects for drug trafficking.

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DEMAND REDUCTION: TOUGH LOVE IN BRAZIL  
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¶5. (U) NAS Director and the Program Assistant for demand reduction attended a general assembly on November 30 for "Amor Exigente" held at their headquarters, in Campinas, state of Sao Paulo. Approximately one hundred people attended, representing virtually every state in Brazil, as well as several international participants from Argentina and Uruguay. (Note: Amor Exigente, or AE, as it is known locally, is the Brazilian version of the "Tough Love" behavior modification and drug demand reduction program that exists in the United States. End note.) Amor Exigente seeks to establish its presence in nine states in Northern Brazil, where the program is nearly non-existent, by May 2010 through a campaign it has dubbed "Project Amazonas."

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¶6. (U) INL provided funding for several representatives from the Community Anti-drug Coalition of America (CADCA), including the Director for International Programs, to participate in this train-the-trainer Amor Exigente assembly. INL is currently working with CADCA to implement community coalitions in countries in South and Central America, and the CADCA representatives provided a well-received briefing on best practices in forming and developing community coalitions. Amor Exigente is hoping to build on partnerships with NAS, INL, and others to strengthen their drug prevention network.

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STATISTICS ON SEIZURES AND ARRESTS  
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¶7. (U) The following information on drug seizures and arrests, provided by the Brazilian Federal Police, represents activity from January 1 - December 7, 2007, and is in kilograms, unless otherwise noted.

Current 2007 totals

Marijuana	168,674
Cocaine	15,200
Crack	560
Cocaine base	1,240
Heroin	10
Hashish	16
Ecstasy (units)	157,523
Arrests (total)	2,021

CHICOLA